

WORKFORCE OBSERVATIONS FOR SOUTHEAST WISCONSIN COUNTIES APRIL 2002



Slight Decrease in Unemployment Rates

March unemployment rates decreased slightly over the month as expected, especially given the abruptly high February rates. The three Southeast WDA counties usually see their highest unemployment rates in February with a slight drop heading into March which should continue into the spring and summer months. Still, unemployment rates are significantly higher than they were a year ago.

The **Kenosha MSA** not seasonally adjusted unemployment rate dropped one-tenth of a point over the month to 6.1 percent. Within the last decade, the month of March rate averaged 4.8 percent with the high of 6.4 percent in 1992. This month's figure is nine-tenths of a percentage point higher than the March 2001 rate.

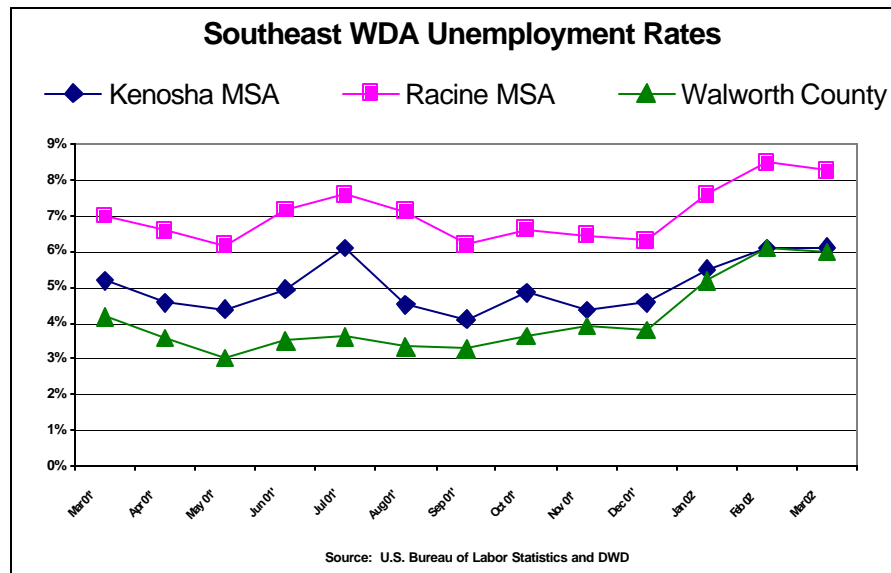
The industry employment data show an increase of 190 total jobs over the month which is good and expected given the sluggish February that Wisconsin usually experiences. Noteworthy is the 80 job gain in manufacturing (in non-durable goods production) over the month whereas March has usually seen slight manufacturing employment reductions from February in the past few years in Kenosha County. Services employment decreased by 100 monthly along with slight drops in wholesale trade and TCPU employment.

A clear view of the recession is seen looking at data compared to a year ago where Kenosha MSA shows 870 fewer total jobs. Sharp losses are seen in manufacturing (-1,240 jobs) and wholesale trade (-160 jobs). On a brighter note, Construction employment is up 660 jobs since last March and is projected to remain strong throughout the coming "building months".

The **Racine MSA** not seasonally adjusted unemployment rate decreased three-tenths of a percentage point to 8.3 percent in March. The last month of March rate to be at least this high is the 10.0 percent registered in 1986 which shows how dramatically higher the county's rate has been of late. Hopefully, this monthly decrease will be continued pattern of

things to come as the spring and summer months roll into the year. Racine County, like the state as whole, is 1.3 percentage points above the unemployment rate for March 2001.

Industry employment in Racine County shows a considerable gain of 360 total jobs with only manufacturing showing a loss, a very slight 20-job loss. It has never been out of the realm for manufacturing to be sluggish this time of the year in any year, but this month's small decrease is somewhat less discouraging given the 500 manufacturing job loss last year between February and March. Construction and retail trade were the winner industries for the month in employment combining for an increase of 270 jobs, while the remaining major industries remained flat or showed slight growth.



The yearly industry picture shows 130 more total jobs than a year ago in March. This is flat growth (0.1 percent), but growth nonetheless. Service producing industries such as services, government, TCPU and retail trade showed the strongest increases. Manufacturing and the closely tied wholesale trade

sectors showed the greatest employment decrease. Again, construction remains vibrant in Racine County and in many other areas of the state.

Walworth County's not seasonally adjusted unemployment rate decreased to 6.0 percent in March. This is a drop of two-tenths of a percentage point from February. Walworth shows the largest over the year increase of the three regional counties, up a significant 1.8 percentage points from March of 2001. Historically, the month of March has been quite a mixed bag for Walworth regarding labor force dynamics. But generally, one would be safe in expecting a bump upwards in the number of employed and a decrease in unemployed, though the opposite can and has been true from year to year. This month's figure shows a drop in both the number of employed and unemployed necessitating the drop in unemployment rate. The number of unemployed dropped faster than the number of employed.

(Continued on page 2)

Walworth's current rate is certainly among the highest it has seen in many years for the month of March. The last time March's unemployment rate approached six percent was in 1987 with a rate of 6.3 percent. The last decade (1991-2001) has shown an average rate of 3.6 percent.

Walworth County industry performance shows continued and expected monthly growth in construction employment adding 100 jobs (+6.7 percent) as the county prepares for the thousands of tourists and part-year residents and as home builders keep up with the great demand for homes and seasonal remodeling projects. Retail trade was also a big gainer adding 180 jobs (+2.6 percent), again, due to a great deal of hiring in anticipation of the vacation months especially around the Lake Geneva area. Services and manufacturing industries lost jobs over the month, 140 and 80 jobs, respectively. The services drop is very typical for this month and it will almost certainly rebound next month

with increases all the way through the middle of summer, especially centered in the health care services employment.

Annually, Walworth County gained the most jobs of the regional counties and because of its relatively small size compared to the other southeast counties, gained the most proportionately as well. Walworth's gain of 440 total jobs translates to 1.1 percent growth over the year. Service producing industries such as government, retail trade and FIRE have been chiefly responsible for the employment growth. Significant losses are apparent in manufacturing from an annual view, losing 6.3 percent or 540 jobs since March of 2001. Wholesale trade is the only other major industry show an annual loss in Walworth County, down 40 jobs since last March.

March 2002	Wisconsin	Kenosha County/MSA	Racine County/MSA	Walworth County	Southeast WDA
Civilian Labor Force*	3,049,813	83,230	93,972	53,836	231,038
Persons Employed	2,851,116	78,142	86,204	50,614	214,960
Persons Unemployed	198,697	5,088	7,768	3,222	16,078
Unemployment Rate	6.5%	6.1%	8.3%	6.0%	7.0%
Total jobs of all non-farm industries**	2,759,171	53,978	79,455	39,867	173,300
Goods Producing Jobs	675,732	14,166	24,287	10,771	49,224
Service Producing Jobs	2,083,439	39,812	55,168	29,096	124,076
Construction & Mining	108,065	2,674	3,147	1,642	7,463
All Manufacturing	567,667	11,492	21,140	9,129	41,761
Transportation, Communications & Public Utilities	131,498	2,088	2,480	1,594	6,162
Wholesale Trade	135,100	2,472	3,288	1,457	7,217
Retail Trade	490,681	10,987	14,274	7,299	32,560
Finance, Insurance, and Real Estate	150,431	1,365	2,344	1,299	5,008
Services	761,099	13,902	22,429	10,132	46,463
All Government	414,630	8,998	10,353	7,315	26,666
Change from February 2002					
Civilian Labor Force*	-1,650	-360	-390	-200	-950
Persons Employed	4,290	-290	-110	-60	-460
Persons Unemployed	-5,940	-70	-280	-140	-490
Unemployment Rate	-0.2%	-0.1%	-0.3%	-0.2%	-0.2%
Total jobs of all non-farm industries**	14,570	190	360	170	710
Goods Producing Jobs	2,740	140	90	20	250
Service Producing Jobs	11,830	50	270	150	470
Construction & Mining	4,210	60	120	100	280
All Manufacturing	-1,470	80	-20	-80	-30
Transportation, Communications & Public Utilities (TCPU)	670	-20	0	10	0
Wholesale Trade	350	-10	30	-10	10
Retail Trade	4,080	140	150	180	460
Finance, Insurance, and Real Estate (FIRE)	500	20	20	10	60
Services	3,520	-100	40	-140	-200
All Government	2,710	20	20	100	140
Change from March 2001					
Civilian Labor Force*	89,050	760	2,890	2,410	6,060
Persons Employed	45,950	-40	1,490	1,340	2,790
Persons Unemployed	43,100	810	1,390	1,080	3,270
Unemployment Rate	1.3%	0.9%	1.3%	1.8%	1.3%
Total jobs of all non-farm industries**	-16,480	-870	130	440	-300
Goods Producing Jobs	-33,230	-590	-860	-440	-1,890
Service Producing Jobs	16,750	-280	990	880	1,590
Construction & Mining	-2,400	660	100	90	860
All Manufacturing	-30,830	-1,240	-970	-540	-2,750
Transportation, Communications & Public Utilities (TCPU)	-2,490	-80	140	50	110
Wholesale Trade	-280	-160	-90	-40	-290
Retail Trade	2,740	50	260	130	430
Finance, Insurance, and Real Estate (FIRE)	2,490	-50	0	250	190

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